C2595-1

Folio:

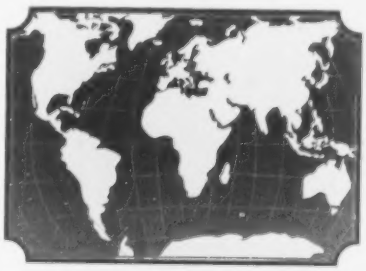
How to handle terminations right . . . page 122

NOVEMBER 1, 1991 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.50

CRITICAL ISSUES: PART II

REVOLUTION IN A BOX

The advent of desktop production will change the job of every magazine professional. Knowing how the desktop revolution will affect your job will help you weather the transition's power shift. From the art department to the executive suite, computers are having an impact. 96



INTERNATIONAL OPPORTUNITIES

There's a world of peril and potential out there. For neophyte and veteran alike, publishing ventures abroad hold out the lure of new revenues and franchise expansion. But there's a problem: How do you tell a hot prospect from a money pit? 103

COST-CUTTING IDEAS THAT WORK

How low can you go, budget-wise? According to the experts, you can almost certainly wring still more savings out of your current financial statement. Here are 25 ways to go leaner without compromising quality. 100

EDIT QUALITY WINS OUT

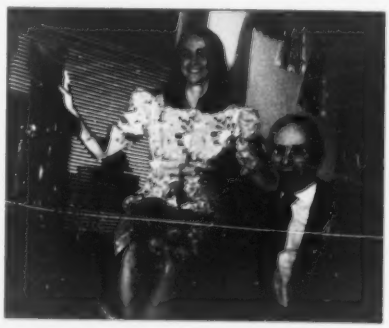
Do readers and advertisers respond to quality? And, more important, are they willing to put their money behind their good taste? You bet they are. Make the commitment to top-notch editorial and watch it pay off in all kinds of surprising ways. 112

HOME TITLES RUN FOR SHELTER

The recession has hit the shelter magazines hard, with double-digit drops in ad pages at most of them. New editors are in place at *Elle Decor*, *Home* and *House Beautiful*, while a new asceticism is driving the readers. The category is renovating and remodeling, but are the changes what readers and advertisers really want? 32

UNEARTHING SUBSCRIBERS

Magazine consultant Harry Hochman and his daughter Suzanne grew their company, Grass Roots, from the ground up, starting with $45,000 in seed money. Their unorthodox methods for cultivating subscribers have brought them to the $30 million revenue mark today. 74



Contents

UPDATE

Shelter titles renovate inside and out . . . 32
***Art & Antiques* sold amidst legal wrangle** . . . 40
Pennsylvania magazine publishers fight sales tax . . . 42
***Modern Maturity* baffled by sibling's success** . . . 47
AARP inks $750 million printing deal . . . 48
Marketers share stamp with Rodale publications . . . 50
Magazines, deployed as weapons, trouble USPS . . . 54
Auditing firms form international alliance . . . 56
Libraries dropping magazine subscriptions . . . 58

MAGAZINE STRATEGIES

Just what the doctor ordered for the financial aches and pains of *Arthritis Today*: A publisher with a consumer viewpoint . . . 70
Unearthing subscribers: Despite the risks, Grass Roots leaves no source unturned . . . 74
Political gleanings: A modest business bimonthly on politics drives a highly profitable seminar business . . . 78

CRITICAL ISSUES: PART II

Revolution in a box: How desktop production changes management roles . . . 96
25 cost-cutting ideas that won't cut product . . . 100
International publishing: Money spinner or trap? . . . 103
Quality pays. So why aren't more publishers going for the gold instead of selling out for the silver? . . . 112

COLUMNS

Seeing the last of lost transparencies. A few simple steps can protect you from serious financial liability.
By Slade Metcalf . . . 117
Handling a termination. There is a right way to fire.
By Katherine Smith . . . 122
Star search. TV news and talk shows need authority figures, and magazines have them.
By Drew Kerr . . . 125
Newsstand profitability. Why should circulation absorb costs for ad pages when it doesn't get credit for the revenue?
By Ron Scott . . . 128

DEPARTMENTS

Briefings . . . 5
FOLIO:Plus More ideas for magazine management . . . 9
Joe Hanson Ad pages & rates: Counting straight . . . 14
Lists Increased list rentals offset costs of special commissions . . . 65
Magazine Watch Are there too many magazines? . . . 84
Calendar . . . 93
Point of view Resisting ad pressure: Truth—and consequences . . . 116
Letters . . . 146

The attack of the 'grudge subs.' **54**
The Postal Service wants to scuttle a too-common harassment tactic used by vengeful souls.

An association title with a profit motive. **70**
Under Ann Rossetti and Bill Otto (*above*), *Arthritis Today* got smarter—and richer.

How to become a small-screen star. **125**
Somewhere there's a TV host looking for your magazine's expertise, as *Modern Bride*'s Cele Lalli (*second from right*) proves.

Folio:

Vol. 20 No. 11

THE MAGAZINE FOR MAGAZINE MANAGEMENT

Editor: Sean Callahan; Executive Editor: Anne M. Russell; News Editor: Alan E. Sanderfoot; Deputy Managing Editor: Suzanne Zelkowitz; Copy Director: Deborah Schwab; Editorial Production Manager: Holly Wallinger; Senior Writers: Lisa I. Fried, Liz Horton, Tony Silber; Staff Writer: Susan Hovey; Assistant Editors: Zakia Hyder, Anne-Marie W. Sinnvagge; Contributing Editors: Karen Burka (Lists), Len Egol (Production), Samir Husni, Paul Miller (Postal), Marilyn Much.

Art Director: Joseph Flatowski; Art Production Manager: Katherine Marciante; Special Sections Production Coordinator: Joanne DeFosche.

Associate Publisher: Peter M. Goldstone; Group Advertising Director: Shirley Sax; Advertising Account Executives: Peggy Anne Schecter, Scott Schwadron; Sales Operations Coordinator: Patti Ochsendorf.

Marketing Services Representatives: Mary Crawford, Barbara Goroff, Suzi Lynch, Maureen Mollahan, Karen Putrimas,Beth Saar, Dorothy Smith; Sales Operations Manager: Gloria Williams; Marketing Services Coordinator: Christina Rankin.

Corporate Promotion Director: Joanne Fitzsimmons; Promotion Production Director: Randi Slusky; Assistant Promotion Manager: Nora Sikes; Promotion Coordinators: Kathleen Lombardo, Dawn Tudor; Assistant Production Manager: Joanne O'Donnell; Graphic Designer: Laura Fox.

Group Manufacturing Manager: Patricia K. Raddock; Associate Group Manufacturing Manager: Terri R. Ballester; Advertising Traffic Manager: Nancy Gebhardt; Production Systems Manager: Catherine A. Vitti.

Circulation Director: Jeffrey Hartford; Circulation Assistant: Madie Richardson; Reader Service Coordinator: Lauren Munro; Information Systems Manager: Kenneth S. Jones; Billing Manager: H. Lee Green.

Manager Conferences and Expositions: Pamela Dimond; Exposition Services Director: Edie Gardner.

Cowles Business Media: Chairman and CEO: Hershel B. Sarbin; VP/Group Publisher: William D. Hohber; VP/Production: Roberta Thomas; VP/Marketing Services: Ellen Zipperman; VP/Controller: Douglas J. Manoni; VP/Circulation: Lynn C. Bushell; VP/Conferences & Education: Carl S. Pugh; VP/Planning & Development: Judy Lee.

Chairman of the Editorial Board: J. J. Hanson; General Editor, Educational/Training Products: Barbara Love.

FOLIO: THE MAGAZINE FOR MAGAZINE MANAGEMENT is published 12 times per year. In addition to the 12 regular monthly issues, FOLIO: SourceBook is published annually during the month of September.

Copyright © 1991 Cowles Business Media.

FOLIO: THE MAGAZINE FOR MAGAZINE MANAGEMENT is published by Cowles Business Media, 6 River Bend, P.O. Box 4949, Stamford, CT 06907-0949, 203-358-9900, Fax: 203-357-9014; and 232 Madison Ave., Suites 1500 (Editorial) and 1409 (Advertising), New York, NY 10016, 212-683-3540, Faxes: 212-683-3986 (Editorial) and 212-683-4072 (Advertising). For reprint information, contact Laura Selway, ext. 343. Minimum—100 reprints.

COWLES BUSINESS MEDIA
A Division of Cowles Media Company

Cowles Business Media, an affiliate of Cowles Media Company, also publishes Catalog Age, Inside Media, FOLIO:'s Publishing News and Direct.

Subscriptions: U.S.—1 year (13 issues), $68; 2 years (26 issues), $108; 3 years (39 issues), $143. Canada and Mexico—1 year (12 issues), $82; 2 years (24 issues), $132; 3 years (36 issues), $172. Foreign (air only)—1 year (12 issues), $144; 2 years (24 issues), $270; 3 years (36 issues), $384. Single copies of most past issues, $8. Special issues cost more. European subscriptions: Euromedia Amsterdam, Euromedia Projekten, Leidsegracht 94, 1016-CS Amsterdam, The Netherlands. Postmaster: Please send address changes to FOLIO:, P.O. Box 4294, Stamford, CT 06907-0949. ISSN 0046-4333. Second class postage paid at Stamford, Connecticut, and additional entry points.

ABP The Audit Bureau Member MPA

UPDATE

Shelter titles renovate inside and out

By Lisa I. Fried

When asked what their readers want in the 1990s, editors of competing titles rarely sing the same tune. But pose that question to the editors of *House Beautiful*, *Home*, *Elle Decor* and *Metropolitan Home* and you hear an almost harmonious message. They all agree that ostentatious living is passe; today's homeowners want stylish quarters that showcase personal taste while staying within recessionary budgets.

So in recent months, these editors have been overhauling graphics and editorial to reflect those values. *House Beautiful*'s Lou Gropp, *Home*'s Gale Steves and *Elle Decor*'s Marian McEvoy are all new to their magazines this year. So editorial change is a given. But in general, it's the readers and advertisers who are driving many of the changes.

Thousands of *Metropolitan Home* readers responding to an April reader survey said they want to make their lives easier, says editor in chief Dorothy Kalins. "In the last 10 years they might have wanted something because it was trendy or hot. Now it has to be comfortable or work with them," she says. Service-oriented features, such as August's "50 Ways to Love Your Home" (which Kalins says sold 28 percent more newsstand copies than last year's issue), and new departments, such as "Style for a Song" (which made its debut in October), aim to meet new needs.

Readers told Kalins they want a magazine that makes life easier.

After Hachette purchased *Home* this spring, Steves also sought reader input. About 1,500 letters later, Steves is slowly moving *Home* away from a lifestyle focus to a stronger concentration on "realistic" decorating, design and remodeling.

And Hachette's *Elle Decor* is trying to give readers more information that they can actually use. In December alone, 24 pages will carry service information as McEvoy "personalizes" the graphically driven magazine. In November, the "Decor" part of the logo becomes bolder and larger to convey a new editorial spirit.

Next year the 234,474-circulation monthly will cut frequency in half. Even so, Hachette hopes editorial changes, new direct mail and increased newsstand sales will push circulation to 375,000 by August.

Advertisers involved

Meanwhile, over at Hearst's *House Beautiful*, the redesign was prompted by advertisers.

"Any magazine has to work with the readers *and* the ad base," says Gropp. "Advertisers buy an audience, but they also buy an editorial environment. They want that environment to be exciting so there is synergy between editorial and advertising. That element was lacking in *House Beautiful* even though there were lots of readers comfortable with the editorial mix."

Major graphic and editorial changes were unveiled in September and ad pages increased 20 percent that month. In October, ad pages were up more than 10 percent, says publisher Tony Hoyt. (Ad pages were down 6.3 percent through August.)

House Beautiful is not the only shelter title needing an ad boost. Through August, *Architectural Digest*, *Metropolitan Home*, *Home* and *HG* all had double-digit ad page de-

(CONTINUED ON PAGE 35)

GEORGE LANGE METROPOLITAN HOME

If you're looking for a way to improve your bottom line . . .

Earn additional revenues with an active editorial reprint marketing program. Master Graphics of Minnesota specializes in editorial reprints. We can help you develop an efficient, cost-effective program for your magazine.

To find out more about mining the gold in your film files, call Master Graphics of Minnesota.

Master Graphics
THE EDITORIAL REPRINTS SPECIALIST

Master Graphics of Minnesota, Inc. • Waseca, Minnesota
(800) 535-7390 • (507) 835-3833 • FAX (507) 835-3720

©1991

(CONTINUED FROM PAGE 32)

clines. Sales of new homes have dwindled, and the recession has left many consumers with less to spend on remodeling and home furnishings. In turn, advertisers have cut ad budgets.

Several observers think ad declines are influencing the editorial changes. "Home furnishing advertising has been hard hit, and many publishers and editors see the potential to make a lot of money from other advertising," says Nancy Novogrod, editor in chief of *HG*.

In 1988, Conde Nast repositioned *House & Garden* as *HG*, personalizing and broadening the title with a lifestyle approach. One hope was that non-endemic advertising would

Advertising in the shelter titles

	Advertising pages			Advertising revenue		
Architectural Digest	815.90	1,195.52	-31.8%	$23,413,077	$31,736,824	-26.2%
HG	522.56	619.14	-15.6%	$14,235,307	$15,563,821	-8.5%
Metropolitan Home	509.93	724.67	-29.8%	$18,456,772	$23,013,286	-19.8%
House Beautiful	435.67	464.73	-6.3%	$17,897,307	$16,766,675	+6.7%
Home	348.94	414.59	-15.8%	$10,784,893	$11,620,185	-7.2%
Decorating Remodeling	246.33	237.97	+3.5%	$6,690,356	$5,662,573	+18.2%
Elle Decor*	190.86	222.20	-14.1%	NA	NA	NA

January - August 1991 | January - August 1990 | Percent change

Source: Publishers Information Bureau *Data provided by publisher.

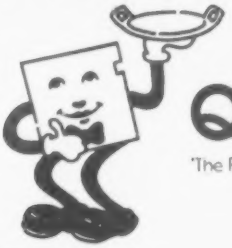
JOSEPH ULATOWSKI

SERVICE THIS RELIABLE

...comes only from the specialists. For 40 years of dedicated reprint experience, professional know-how, state-of-the-art equipment and reliable turnaround, call a **FosteReprints** specialist today at 800-382-0808

FosteReprints

THINK OF US AS YOUR IN-HOUSE SERVICE BUREAU



QuickFill
"The Publisher's Choice"

IN HOUSE MICRO-BASED FULFILLMENT SOFTWARE

If you want real control over your most important asset, your subscriber base ... if you want the ability to see your creative thinking implemented — without the pain of incremental cost ... if you want to be able to move forward on ideas NOW, when they are fresh — then QuickFill is the answer.

MULTI - USER VERSION AVAILABLE

For more information about QuickFill and our free Preview package, please contact Andrew Conti at 1 • 800 • 762 • 7702

CWC Software, Inc. 150 Grossman Dr., Suite 201 Braintree, MA 02184

Ziff-Davis MasterFile:

Now for the first time! Active direct mail consumers from the world of high-tech on one economical list!

The buyers you're looking for, including affluent professional women. Reach them at work or home.

Call 1-800-999-LIST.
(In NYS 212-503-5394.)

grow. This year, fashion and cosmetics ads represent about 24 percent of the ad base.

"I'm not buying the fact that magazines are really addressing changes in consumer attitudes," says Serge Prengel, president of Mission Advertising, which handles the account for furniture maker Roche Bobois. "It's the basic 10-year presentation—here's how the customer has changed in the eighties or the nineties." What these magazines are really doing is "scrambling for advertisers and readers."

Doubting Thomases

Most of these magazines "can't prove that the American family is really spending more time at home or that glamour is out and a back-to-basics lifestyle is in," says Aves Inc.'s Kay Kreister, who handles advertising for furniture manufacturer Baker, Knapp & Tubbs. "It's hard to make a media buy based on what an editor or publisher is saying," she notes.

"Any magazine has to work with the readers *and* the ad base," says Gropp.

R. Jeffrey Petersen, vice president publisher of upscale *Architectural Digest*, doesn't buy the "end-of-greed-decade" pitch either. *AD* readers are still willing to cough up $39.95 for 11 issues, and although they may be buying fewer things, "they are still buying the best," he says.

As many of the shelter titles get back to basics, *Decorating Remodeling*, a very service-driven title, is following an impressive ad performance in 1990 (pages and revenue were up 89.6 percent and 97.8 percent, respectively) with additional gains. Through August, ad pages were up 3.5 percent and ad revenue, stimulated in part by a 5 percent rate increase, was up 18.2 percent.

Publisher George Fields attributes gains to an ad space credit program, joint ad buys in *DR* and new products, and value-added offerings. He maintains that *Decorating Remodeling* is trying to become "increasingly important to the 70 accounts that carry 90 percent of our business." ■